



## FACILITY PERMIT TO OPERATE

**ULTRAMAR INC (NSR USE ONLY)  
2402 E ANAHEIM ST  
WILMINGTON, CA 90744**

### NOTICE

IN ACCORDANCE WITH RULE 206, THIS PERMIT TO OPERATE OR A COPY THEREOF MUST BE KEPT AT THE LOCATION FOR WHICH IT IS ISSUED.

THIS PERMIT DOES NOT AUTHORIZE THE EMISSION OF AIR CONTAMINANTS IN EXCESS OF THOSE ALLOWED BY DIVISION 26 OF THE HEALTH AND SAFETY CODE OF THE STATE OF CALIFORNIA OR THE RULES OF THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. THIS PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO VIOLATE EXISTING LAWS, ORDINANCES, REGULATIONS OR STATUTES OF ANY OTHER FEDERAL, STATE OR LOCAL GOVERNMENTAL AGENCIES.

Barry R. Wallerstein, D. Env.  
EXECUTIVE OFFICER

By   
Mohsen Nazemi, P.E.  
Deputy Executive Officer  
Engineering & Compliance

*fw*



## FACILITY PERMIT TO OPERATE ULTRAMAR INC (NSR USE ONLY)

### TABLE OF CONTENTS

Section	Description	Revision #	Date Issued
A	Facility Information	9	05/29/2009
B	RECLAIM Annual Emission Allocation	27	05/26/2010
C	Facility Plot Plan	TO BE DEVELOPED	
D	Facility Description and Equipment Specific Conditions	40	03/10/2010
E	Administrative Conditions	12	05/29/2009
F	RECLAIM Monitoring and Source Testing Requirements	10	05/29/2009
G	Recordkeeping and Reporting Requirements for RECLAIM Sources	11	05/29/2009
H	Permit To Construct and Temporary Permit to Operate	61	01/01/2010
I	Compliance Plans & Schedules	13	05/26/2010
J	Air Toxics	9	01/01/2010
K	Title V Administration	5	05/29/2009
Appendix			
A	NOx and SOx Emitting Equipment Exempt From Written Permit Pursuant to Rule 219	7	05/29/2009
B	Rule Emission Limits	8	05/29/2009



## FACILITY PERMIT TO OPERATE ULTRAMAR INC (NSR USE ONLY)

### SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of NOx RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total NOx emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

#### RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	NOx RTC Initially Allocated	NOx RTC <sup>1</sup> Holding as of 05/26/2010 (pounds)	Non-Tradable <sup>2</sup> Non-Usable RTCs (pounds)
7/2007 6/2008	Coastal	0	0	0
7/2007 6/2008	Inland	0	0	0
1/2008 12/2008	Coastal	483931	78926	12763
7/2008 6/2009	Coastal	0	0	0
7/2008 6/2009	Inland	0	0	0
1/2009 12/2009	Coastal	481155	27368	25527
7/2009 6/2010	Coastal	0	45397	0
1/2009 12/2009	Inland	0	4000	0
7/2009 6/2010	Inland	0	1741	0
1/2010 12/2010	Coastal	472716	456517	38290
7/2010 6/2011	Coastal	0	47666	0
1/2010 12/2010	Inland	0	40000	0
7/2010 6/2011	Inland	0	1684	0
1/2011 12/2011	Coastal	472716	409945	51053
7/2011 6/2012	Coastal	0	48219	0
1/2011 12/2011	Inland	0	88000	0
7/2011 6/2012	Inland	0	1628	0

**Footnotes:**

1. This number may change due to pending trades, emissions reported under Quarterly Certification of Emissions Report (QCER) and Annual Permit Emission Program (APEP) Report required pursuant to Rule 2004, or deductions made pursuant to Rule 2010(b). The most recent total RTC information can be obtained from the District's RTC Listing.
2. The use of such credits is subject to restrictions set forth in paragraph (f)(1) of Rule 2002.



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1/2012 12/2012	Coastal	472716	409945	51053
7/2012 6/2013	Coastal	0	48219	0
1/2012 12/2012	Inland	0	88000	0
7/2012 6/2013	Inland	0	1628	0
1/2013 12/2013	Coastal	472716	409945	51053
7/2013 6/2014	Coastal	0	48219	0
1/2013 12/2013	Inland	0	88000	0
7/2013 6/2014	Inland	0	1628	0
1/2014 12/2014	Coastal	472716	409945	51053
7/2014 6/2015	Coastal	0	48219	0
1/2014 12/2014	Inland	0	88000	0
7/2014 6/2015	Inland	0	1628	0
1/2015 12/2015	Coastal	472716	409945	51053
7/2015 6/2016	Coastal	0	48219	0
1/2015 12/2015	Inland	0	88000	0
7/2015 6/2016	Inland	0	1628	0
1/2016 12/2016	Coastal	472716	409945	51053

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7/2016 6/2017	Coastal	0	48219	0
1/2016 12/2016	Inland	0	88000	0
7/2016 6/2017	Inland	0	1628	0
1/2017 12/2017	Coastal	472716	409945	51053
7/2017 6/2018	Coastal	0	48219	0
1/2017 12/2017	Inland	0	88000	0
7/2017 6/2018	Inland	0	1628	0
1/2018 12/2018	Coastal	472716	409945	51053
7/2018 6/2019	Coastal	0	48219	0
1/2018 12/2018	Inland	0	88000	0
7/2018 6/2019	Inland	0	1628	0
1/2019 12/2019	Coastal	472716	409945	51053
7/2019 6/2020	Coastal	0	48219	0
1/2019 12/2019	Inland	0	88000	0
7/2019 6/2020	Inland	0	1628	0
1/2020 12/2020	Coastal	472716	409945	51053
7/2020 6/2021	Coastal	0	48219	0

**Footnotes:**

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The annual allocation of NO<sub>x</sub> RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total NO<sub>x</sub> emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

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1/2020 12/2020	Inland	0	88000	0
7/2020 6/2021	Inland	0	1628	0
1/2021 12/2021	Coastal	472716	409945	51053
7/2021 6/2022	Coastal	0	48219	0
1/2021 12/2021	Inland	0	88000	0
7/2021 6/2022	Inland	0	1628	0
1/2022 12/2022	Coastal	472716	409945	51053
7/2022 6/2023	Coastal	0	48219	0
1/2022 12/2022	Inland	0	88000	0
7/2022 6/2023	Inland	0	1628	0
1/2023 12/2023	Coastal	472716	409945	51053
7/2023 6/2024	Coastal	0	48219	0
1/2023 12/2023	Inland	0	88000	0
7/2023 6/2024	Inland	0	1628	0
1/2024 12/2024	Coastal	472716	409945	51053
7/2024 6/2025	Coastal	0	48219	0
1/2024 12/2024	Inland	0	88000	0

**Footnotes:**

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The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

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#### RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	NOx RTC	NOx RTC <sup>1</sup>	Non-Tradable <sup>2</sup>
		Initially Allocated	Holding as of 05/26/2010 (pounds)	Non-Usable RTCs (pounds)
7/2024 6/2025	Inland	0	1628	0
1/2025 12/2025	Coastal	472716	409945	51053
1/2025 12/2025	Inland	0	88000	0

**Footnotes:**

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The annual allocation of SO<sub>x</sub> RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. Total SO<sub>x</sub> emission shall not exceed such annual allocations unless the operator obtains RTCs corresponding to the facility's increased emissions in compliance with Rules 2005 and 2007.

The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

#### RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	SO <sub>x</sub> RTC Initially Allocated	SO <sub>x</sub> RTC <sup>1</sup> Holding as of 05/26/2010 (pounds)	Non-Tradable <sup>2</sup> Credits (NTCs) (pounds)
7/2007 6/2008	Coastal	0	0	
7/2007 6/2008	Inland	0	0	
1/2008 12/2008	Coastal	382472	4526	
7/2008 6/2009	Coastal	0	0	
1/2008 12/2008	Inland	0	20000	
1/2009 12/2009	Coastal	381641	8124	
1/2010 12/2010	Coastal	416029	391309	
1/2011 12/2011	Coastal	416029	544189	
7/2011 6/2012	Coastal	0	97424	
7/2011 6/2012	Inland	0	34916	
1/2012 12/2012	Coastal	416029	544189	
7/2012 6/2013	Coastal	0	97424	
7/2012 6/2013	Inland	0	34916	
1/2013 12/2013	Coastal	416029	544189	
7/2013 6/2014	Coastal	0	97424	
7/2013 6/2014	Inland	0	34916	
1/2014 12/2014	Coastal	416029	544189	

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Year Begin End (month/year)	Zone	SO <sub>x</sub> RTC Initially Allocated	SO <sub>x</sub> RTC <sup>1</sup> Holding as of 05/26/2010 (pounds)	Non-Tradable <sup>2</sup> Credits (NTCs) (pounds)
7/2014 6/2015	Coastal	0	97424	
7/2014 6/2015	Inland	0	34916	
1/2015 12/2015	Coastal	416029	544189	
7/2015 6/2016	Coastal	0	97424	
7/2015 6/2016	Inland	0	34916	
1/2016 12/2016	Coastal	416029	544189	
7/2016 6/2017	Coastal	0	97424	
7/2016 6/2017	Inland	0	34916	
1/2017 12/2017	Coastal	416029	544189	
7/2017 6/2018	Coastal	0	97424	
7/2017 6/2018	Inland	0	34916	
1/2018 12/2018	Coastal	416029	544189	
7/2018 6/2019	Coastal	0	97424	
7/2018 6/2019	Inland	0	34916	
1/2019 12/2019	Coastal	416029	544189	
7/2019 6/2020	Coastal	0	97424	
7/2019 6/2020	Inland	0	34916	

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The level of Starting Allocation plus Non-Tradable Credits used to determine compliance with Rule 2005(c)(4) and applicability of Rule 2005(e) - Trading Zone Restrictions is listed on the last page of this Section.

The following table lists the annual allocations that were issued to this facility and the amounts of RTCs held by this facility on the day of printing this Section.

### RECLAIM POLLUTANT ANNUAL ALLOCATION (POUNDS)

Year Begin End (month/year)	Zone	SOx RTC Initially Allocated	SOx RTC <sup>1</sup> Holding as of 05/26/2010 (pounds)	Non-Tradable <sup>2</sup> Credits (NTCs) (pounds)
1/2020 12/2020	Coastal	416029	544189	
7/2020 6/2021	Coastal	0	97424	
7/2020 6/2021	Inland	0	34916	
1/2021 12/2021	Coastal	416029	544189	
7/2021 6/2022	Coastal	0	97424	
7/2021 6/2022	Inland	0	34916	
1/2022 12/2022	Coastal	416029	544189	
7/2022 6/2023	Coastal	0	97424	
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1/2023 12/2023	Coastal	416029	544189	
7/2023 6/2024	Coastal	0	97424	
7/2023 6/2024	Inland	0	34916	
1/2024 12/2024	Coastal	416029	544189	
7/2024 6/2025	Coastal	0	97424	
7/2024 6/2025	Inland	0	34916	
1/2025 12/2025	Coastal	416029	544189	

Footnotes:

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### SECTION B: RECLAIM ANNUAL EMISSION ALLOCATION

The annual allocation of RECLAIM Trading Credits (RTCs) for this facility is calculated pursuant to Rule 2002. If the facility submits a permit application to increase in an annual allocation to a level greater than the facility's starting Allocation plus Non-Tradable credits as listed below, the application will be evaluated for compliance with Rule 2005 (c)(4). Rule 2005 (e) - Trading Zone Restrictions applies if an annual allocation is increased to a level greater than the facility's Starting Allocation plus Non-Tradable Credits:

Year		Zone	NOx RTC	Non-Tradable
Begin	End		Starting Allocation	Credits(NTC)
(month/year)			(pounds)	(pounds)
1/1994	12/1994	Coastal	849881	729265



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Year		Zone	SOx RTC	Non-Tradable
Begin	End		Starting Allocation	Credits(NTC)
(month/year)			(pounds)	(pounds)
1/1994	12/1994	Coastal	1010497	0



## FACILITY PERMIT TO OPERATE ULTRAMAR INC (NSR USE ONLY)

### SECTION I: PLANS AND SCHEDULES

This section lists all plans approved by AQMD for the purposes of meeting the requirements of applicable AQMD rules specified below. The operator shall comply with all conditions specified in the approval of these plans, with the following exceptions:

- a. The operator does not have to comply with NOx or SOx emission limits from rules identified in Table 1 or Table 2 of Rule 2001(j) which become effective after December 31, 1993.
- b. The operator does not have to comply with NOx or SOx emission limits from rules identified in Table 1 or Table 2 of Rule 2001(j) after the facility has received final certification of all monitoring and reporting requirements specified in Section F and Section G.

Documents pertaining to the plan applications listed below are available for public review at AQMD Headquarters. Any changes to plan applications will require permit modification in accordance with Title V permit revision procedures.

#### List of approved plans:

Application	Rule
299235	463
334141	2002
410212	1178
423346	1173
458530	1118
460671	1105.1
474699	1166
493043	461
493681	1166
500933	1118

NOTE: This section does not list compliance schedules pursuant to the requirements of Regulation XXX - Title V Permits; Rule 3004(a)(10)(C). For equipment subject to a variance, order for abatement, or alternative operating condition granted pursuant to Rule 518.2, equipment specific conditions are added to the equipment in Section D or H of the permit.



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • www.aqmd.gov

May 26, 2010

Mr. Jon Elliott  
Associate Environmental Engineer  
Valero Wilmington Refinery  
2402 East Anaheim  
Wilmington, CA 90744-4081

**Re:** Rule 1118 Flare Monitoring and Recording Plan  
Application Number: 458530  
Plan Owner/Operator: Ultramar Inc. dba: Valero Wilmington Refinery  
Facility ID: 800026  
Facility Address: 2402 East Anaheim, Wilmington, CA 90744

Dear Mr. Elliott:

The South Coast Air Quality Management District (AQMD) has reviewed the revised Flare Monitoring and Recording Plan (FMRP) submitted on June 29, 2006 by the Valero Wilmington Refinery to comply with District Rule 1118(f)(1)(A). Based on the information contained in the plan, along with the supplemental information submitted on February 27, 2009 in response to additional information requests made by the District, the compliance plan is approved subject to the following conditions. This revised FMRP, as approved, will supersede the amended plan approved under A/N 341682 on December 2, 2005.

### CONDITIONS

1. The owner/operator shall perform monitoring and recording of the operating parameters for the following flares in accordance with this approved compliance plan and other applicable requirements of Rule 1118(g). The monitoring and recording shall be performed at all times except when the flare monitoring system is out of service for reasons described in Rule 1118(g)(5)(A).

Flare	Phase 0	Phase 1	Phase 2	LPG
Service Type	General	General	General	Clean

2. A flare event occurs when the flow velocity of vent gas in a flare equals to 0.10 feet per second or greater. The flare event ends when the flow velocity drops below 0.12 feet per second. The owner/operator may use monitoring records of the flare water seal level and closures of control valves to demonstrate that no more vent gas was combusted in the flare for the purpose of determining when the flare event ends.

3. A flare event lasting 24 hours or less shall be considered a single flare event even when the vent occurs in two consecutive days. When a flare event continues for more than 24 hours, each calendar day shall be a separate flare event.
4. The continuous HHV analyzer, total sulfur analyzer and gas flow meter used in this flare plan shall meet the requirements of Rule 1118 Attachment A and shall be certified by the AQMD. The owner/operator shall also comply with the requirements specified in the Quality Assurance and Quality Control Plan (QAQCP) approved by the AQMD on November 2009 for the flare monitoring equipment.
5. When the maximum range of a flow meter is exceeded, the flow rate shall be assumed to be the maximum design capacity of the flare.
6. Volumetric flow rates of vent gases shall be corrected to standard conditions of 14.7 psia and 68°F.
7. Whenever the flow meter, HHV and/or TSC analyzer(s) is down due to breakdowns or maintenance, the owner or operator shall use the data substitution method referenced in Attachment B of Rule 1118 to calculate and report flare emissions except when an alternative data substitution procedure has been approved in writing by the District. Analyzer(s) downtime shall be limited pursuant to Rule 1118(g)(5)(A).
8. The owner/operator shall calculate emissions of criteria pollutants from each flare and each flare event using the methods described in Attachment B of Rule 1118.
9. For the Phase 0 flare only, emissions calculations for acid vent gas from the Sulfur Recovery Unit shall be calculated using a default total sulfur concentration of 95% (950,000 ppmv) and HHV of 615 Btu/scf in lieu of analyzer results or sampling. An acid vent gas flare event occurs whenever control valve 40-PV-28 is not in the closed position. A valve position indicator shall be maintained to continuously monitor the valve's open or close position.
10. The owner/operator shall install and maintain a flow meter to monitor and record the pilot and purge gas flow to the general service flares.
11. For the LPG flare only, the pilot gas and purge gas flow shall be based on the maximum design capacity of 390 SCFH each.
12. The owner/operator shall monitor the flares at all times for presence of a pilot flame using a thermocouple that will alarm the owner or operator in the event of a flame out. The owner/operator shall re-ignite the pilot immediately after a pilot flame out occurs.
13. The owner/operator shall notify the Executive Officer within one hour of any unplanned flare event with emissions exceeding either 100 pounds of VOC or 500 pounds of sulfur dioxide, or exceeding 500,000 standard cubic feet of flared vent gas. The owner/operator shall also notify the Executive Officer by telephone at least 24 hours prior to the start of a planned flare event with emissions exceeding either 100 pounds of

VOC or 500 pounds of sulfur dioxide, or 500,000 standard cubic feet of combusted vent gas.

14. The owner/operator shall conduct a Specific Cause Analysis for any flare event, excluding planned shutdown, planned startup and turnaround, resulting in any of the followings: (a) 100 pounds of VOC emissions. (b) 500 pounds of sulfur dioxide emissions. (c) 500,000 standard cubic feet of vent gas combusted. The analysis shall identify the cause and duration of the flare event and describe any mitigation and corrective action taken to prevent recurrence of a similar flare event in the future. Unless an extension is granted, the owner/operator shall submit Specific Cause Analysis to the Executive Officer within 30 days of the event.
15. The owner/operator shall conduct an analysis and determine the relative cause for a flare event that results in combustion of more than 5,000 standard cubic feet of vent gas. A Specific Cause Analysis may be submitted to satisfy this condition.
16. The owner/operator shall submit a complete Flare Minimization Plan for approval of the Executive Officer no later than 90 days from the end of a calendar year in which flare emissions exceeding the annual performance targets set by Rule 1118(d)(1). The plan shall comply with the requirements of Rule 1118(e).
17. The owner/operator shall maintain records in a manner approved by the Executive Officer for the following.
  - a. Flare event data collected pursuant to paragraph (g)(3), (g)(4), (g)(5), (g)(6) and subparagraph (g)(8)(C) of Rule 1118 as applicable.
  - b. Total daily and quarterly emissions of criteria pollutant from each flare and each flare event along with all information specified by Rule 1118(i)(5)(B).
  - c. Monitoring records of water seal levels and closures of control valves.
  - d. Pilot flame failure report.
  - e. Planned and unplanned flare monitoring system downtime report that includes date and time and explanation for taking the system out of service.
  - f. Information to substantiate any exemptions taken under Rule 1118(k).
  - g. Monitoring records of valve position for control valve 40-PV-28 pursuant to Condition No. 9.
  - h. Specific Cause Analysis completed pursuant to Condition No. 14.
  - i. Relative Cause Analysis completed pursuant to Condition No. 15.
  - j. Annual acoustical pressure relief device leak survey.
  - k. Annual sulfur dioxide emissions for all flares at the refinery normalized over the crude oil processing capacity in calendar year 2004.
  - l. Video records pursuant to Rule 1118(g)(7).

Within 30 days after the end of each calendar quarter, the owner/operator shall submit a quarterly report to the AQMD Refinery Compliance Team at the below address. Items (a) through (i) shall be submitted quarterly in electronic format. Hard copy of item (j) shall be submitted with the quarterly report for the quarter which the survey was

conducted. Hard copy of item (k) shall be submitted with the last quarterly report for the year. Item (l) shall be made available to the Executive Officer upon request.

All records required by this condition shall be certified for accuracy in writing by the responsible facility official and maintained for at least five years.

SOUTH COAST AIR QUALITY MGMT DISTRICT  
REFINERY COMPLIANCE  
1500 WEST CARSON STREET, SUITE 115  
LONG BEACH, CA 90810

18. The owner/operator shall comply with all provisions of this approved Revised Flare Monitoring and Recording Plan unless the plan is suspended, revoked, modified, reissued, or denied, as well as all other applicable requirements of Rule 1118. Violation of any of the terms of the plan is a violation of Rule 1118.

Please review the plan carefully and discard the earlier approved version. If you have any questions, please contact Mr. Thomas Lee at (909) 396-3138 or [tleel1@aqmd.gov](mailto:tleel1@aqmd.gov).

Sincerely yours,



Jay Chen, P.E.  
Senior AQ Engineering Manager  
Refinery and Waste Management Permitting

cc: Ed Pupka  
A/N 458530 file



# South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178  
(909) 396-2000 • www.aqmd.gov

May 26, 2010

Mr. Wesley Waida  
Ultramar, Inc.  
2402 E. Anaheim Street  
Wilmington, CA 90744

**Re:** Rule 1118 Flare Minimization Plan  
Application Number: 500933  
Plan Owner/Operator: Ultramar Inc. dba: Valero Wilmington Refinery  
Facility ID: 800026  
Facility Address: 2402 E. Anaheim Street, Wilmington, CA 90744

Dear Mr. Waida:

The South Coast Air Quality Management District (AQMD) has reviewed the Flare Minimization Plan (A/N 500933) received on July 28, 2009 to comply with District Rule 1118(e)(1). Based on the information contained in the plan, your attached Rule 1118 Flare Minimization Plan is approved as submitted.

Pursuant to Rule 1118, no later than 90 days from the end of a calendar year, your facility shall submit for approval a revised Flare Minimization Plan in the event the annual performance target for a calendar year is exceeded.

If you have any questions concerning this plan, please contact Ms. Connie Yee at (909) 396-2619 or [cye@aqmd.gov](mailto:cye@aqmd.gov).

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Jay Chen", is written over a light blue circular stamp.

Jay Chen, P.E.  
Senior AQ Engineering Manager  
Refinery and Waste Management Permitting  
Engineering and Compliance

Attachment

cc: Gerardo Rios, US EPA, Region 9 (via email to [R9AirPermits\\_SC@epa.gov](mailto:R9AirPermits_SC@epa.gov))  
Compliance  
Application File A/Ns 500933 & 510811  
Central Permit File

**Ultramar Inc.  
(dba Valero Wilmington Refinery)  
Facility ID 80026  
Flare Minimization Plan (2009)**

# Contents

## Executive Summary

<b>Section 1.0 Wilmington Refinery's Historical Flaring</b> .....	<b>4</b>
1.1 Wilmington Refinery Flare SO <sub>2</sub> Emission Performance .....	4
1.2 Wilmington Refinery Historic Flaring .....	7
<b>Section 2.0 Description And Technical Specifications For Each Flare And Associated Equipment</b> ....	<b>9</b>
2.1 Phase 0 Flare .....	11
2.2 Phase 1 Flare .....	12
2.3 Phase 2 Flare .....	13
2.4 LPG Flare .....	14
2.5 Vapor Recovery System .....	14
<b>Section 3.0 Detailed Process Flow Diagrams Of All Upstream Equipment And Process Units Venting To Each Flare</b> .....	<b>15</b>
<b>Section 4.0 Refinery Policies And Procedures To Be Implemented And Any Equipment Improvements To Minimize Flaring And Flare Emissions And Comply With The Performance Targets</b> .....	<b>16</b>
4.1 Evaluation of the Two 2008 Flaring Events that Led to the Exceedance of the 2008 Performance Target .....	17
4.2 Flaring Prevention Measures Implemented During and Corrective Actions Taken Shortly After the Two 2008 Flaring Events that Led to the Exceedance of the 2008 Performance Target .....	18
4.3 Long-Term Corrective Actions Taken to Prevent a Similar Flaring Event .....	19
4.4 Flare Gas Recovery Equipment And Treatment System(S) To Be Installed To Comply With The Performance Targets .....	21
<b>Section 5.0 Conclusion</b> .....	<b>22</b>

# **Appendix**

## **I. List of Drawings**

## **II. Drawings**

## List of Tables

Table 1.1: Rule 1118(d)(1) Performance Targets.....	4
Table 1.2: Wilmington Refinery-Specific Performance Targets .....	4
Table 1.3: Wilmington Refinery SO <sub>2</sub> Emissions History.....	5
Table 2.1: General Service Flare information .....	10
Table 2.2: Clean Service Flare Information .....	10
Table 2.3: Pilot Gas Information.....	11
Table 2.4: Purge Gas Information .....	11
Table 2.5: Refinery Process Units Venting to the Phase 0 Flare.....	12
Table 2.6: Refinery Process Units (Hydrocarbon) Venting to the Phase 1 Flare .....	12
Table 2.7: Refinery Process Units (Liquid) Venting to the Phase 1 Flare .....	13
Table 2.8: Refinery Process Units (Hydrocarbon) Venting to the Phase 2 Flare .....	13
Table 2.9: Refinery Process Units (Liquid) Venting to the Phase 2 Flare .....	14

## Charts and Figures

Chart 1.1: Historic Annual SO <sub>2</sub> Emissions from the Wilmington Refinery Flares .....	5
Chart 1.2: Actual Performance at the Wilmington Refinery.....	6
Chart 1.3: SO <sub>2</sub> Emissions by Flaring Event Type .....	7
Figure 4.1: Overview of the Backup Liquid Oxygen Supply System.....	20

## Executive Summary

As adopted by the South Coast Air Quality Management District's ("SCAQMD") Governing Board on November 4, 2005, the primary objective of the amendments to Rule 1118 was to minimize flaring and reduce criteria pollutant emissions, such as sulfur dioxide ("SO<sub>2</sub>", also referred to "SO<sub>x</sub>"), oxides of nitrogen ("NO<sub>x</sub>"), reactive organic gases ("ROG"), particulate matter ("PM<sub>10</sub>") and carbon dioxide ("CO<sub>2</sub>") emissions from flares at petroleum refineries, sulfur recovery plants and hydrogen production plants. Rule 1118 prohibits flaring of vent gases except for those situations resulting from emergencies, shutdowns and startups, turnarounds, and specific essential operational needs; establishes operational requirements and diagnostic practices to minimize flaring; and sets refinery specific annual SO<sub>2</sub> performance targets that decrease with time from 2006 to 2012 to ensure that emissions from flares are reduced on a permanent basis. Exceedance of the annual performance target by a subject facility would trigger mitigation fees and the submittal of a Flare Minimization Plan ("FMP"). However, the provisions of Rule 1118 are not intended to preempt any petroleum refinery, sulfur recovery plant and hydrogen production plant operations and practices with regard to safety.

For, Ultramar Inc., dba Valero Wilmington Refinery, (collectively "Wilmington Refinery"), Rule 1118 established performance targets of 44.4 tons of SO<sub>2</sub> for 2006, 29.6 tons of SO<sub>2</sub> for 2008, 20.7 tons of SO<sub>2</sub> for 2010, and 14.8 tons of SO<sub>2</sub> for 2012 and in perpetuity. Historically, the Wilmington Refinery has been well below its performance targets and in the last few years on pace to be below its 2012 target well in advance of the 2012 timeframe.

However, in September and October 2008, the Wilmington Refinery had two flaring events that were both triggered by the abrupt interruption of oxygen supply from our third-party supplier. This resulted in a loss of oxygen to our Sulfur Recovery Unit Trains 1 and 2 (Facility Permit Process 11, Systems 1 and 2) (collectively SRUs) and the unplanned shutdown of these units. The loss of oxygen flow occurred when a valve on our supplier's oxygen transfer line unexpectedly closed. As a result, high concentration hydrogen sulfide gas normally treated by the SRUs was sent to the Phase 0 Flare (Process 17, System 3) for approximately two to two and half hours for each flaring event to avoid an atmospheric release and for safety purposes. This brief flaring resulted in approximately 22 tons of SO<sub>2</sub> emissions from the September event and 16 tons of SO<sub>2</sub> emissions from the October event.

The cause of the two flaring events has been determined to be due to a faulty valve positioner on the oxygen supply valve and/or vibration or degradation of component(s) located within the oxygen supply valve control box. As mentioned previously, both the oxygen supply valve, the components therein, and the valve control box and the components located therein are owned, maintained, and operated by a third-party oxygen supplier.

Despite this, the SCAQMD made the determination that these flaring events, taken together, exceeded the Wilmington Refinery's 2008 SO<sub>2</sub> performance target of 29.6 tons. Individually, neither flaring event would result in the Wilmington Refinery exceeding its 2008 performance target.

As a result of this exceedance, the SCAQMD has determined that the Wilmington Refinery is required pursuant to Rule 1118(e) to submit a FMP. Specifically, Rule 1118(e)(1) requires that a FMP include a list of all actions to be taken by the petroleum refinery to meet the performance targets, including the following:

- (A) A complete description and technical specifications for each flare and associated knock-out pots, surge drums, water seals and flare gas recovery systems;

- (B) Detailed process flow diagrams of all upstream equipment and process units venting to each flare, identifying the type and location of all control equipment;
- (C) Refinery policies and procedures to be implemented and any equipment improvements to minimize flaring and flare emissions and comply with the performance targets for:
- (i) Planned turnarounds and other scheduled maintenance, based on an evaluation of these activities during the previous five years;
  - (ii) Essential operational needs and the technical reason for which the vent gas cannot be prevented from being flared during each specific situation, based on supporting documentation on flare gas recovery systems, excess gas storage and gas treating capacity available for each flare; and
  - (iii) Emergencies, including procedures that will be used to prevent recurring equipment breakdowns and process upset, based on an evaluation of the adequacy of maintenance schedules for equipment, process and control instrumentation.
- (D) Any flare gas recovery equipment and treatment system(s) to be installed to comply with the performance targets.

Thus, the purpose of the FMP is to address the issues that caused the performance target exceedance (i.e., the type of flaring that led to the exceedance) and put into place prevention measures, corrective actions, policies, procedures, etc. taken to minimize or eliminate, to the extent feasible and safe this type, of flaring in the future. (See SCAQMD Governing Board Letter, November 4, 2005, Agenda No. 35, p. 9). Accordingly, the following FMP will focus primarily on the prevention measures taken to minimize flaring during the two flaring events and immediately thereafter, and the corrective actions subsequently taken to minimize or eliminate, to the extent this is feasible and safe, this type of flaring in the future.

It is the Wilmington Refinery's belief that the following information that makes up this FMP meets the intent and requirements of Rule 1118(e)(1) and will serve as an important component of the Wilmington Refinery's continued efforts to meet its current and future performance targets. Pursuant to Rule 1118(e)(2), the Wilmington Refinery requests timely approval of the following FMP by the SCAQMD.

For the reader's convenience, the following FMP is organized as follows:

- Section 1 – Brief overview of the Wilmington Refinery's historical flaring since the revised rule went into effect and the annual performance targets were adopted in 2006;
- Section 2 – A complete description and technical specifications for each flare and associated knock-out pots, surge drums, water seals, and flare gas recovery systems;
- Section 3 – Detailed process flow diagrams of all upstream equipment and process units venting to each flare, identifying the type and location of all control equipment;
- Section 4 – Refinery policies and procedures to be implemented and any equipment improvements to minimize flaring and flare emissions and comply with the performance targets; and
- Section 5 – Conclusion.

Please note that the Appendix of this FMP contains trade secret and confidential business information ("CBI") of the Wilmington Refinery as defined by the California Public Records Act, Government Code § 6254.7 et seq., and the Freedom of Information Act, 40 CFR Part 2 (40 CFR § 2.105(a)(4)), 5 USC 552(b)(4), and 18 USC 1905. Because of the sensitive and competitive nature of this information, the Wilmington Refinery requests that the SCAQMD afford the information CBI status and treatment

indefinitely. Accordingly, the Appendix in the public version of this FMP has been excluded. A complete copy of the FMP, including the Appendix, is included in the CBI version of the FMP provided to the SCAQMD.

## 1.0 Wilmington Refinery's Historical Flaring

Although not required pursuant to Rule 1118(e)(1), as part of this FMP, the Wilmington Refinery evaluated its historic flaring and associated SO<sub>2</sub> emissions for the years 2006 through 2008.

### 1.1 Wilmington Refinery Flare SO<sub>2</sub> Emission Performance

Rule 1118 set forth the SO<sub>2</sub> emission targets for the refinery based on a SO<sub>2</sub> performance target emission factor and a baseline year (2004) annual crude processing capacity. The SO<sub>2</sub> emission factor is designed to reduce every two years from 2006 to 2012, further reducing the target SO<sub>2</sub> emissions from the facility. As shown in the Table below, the annual target SO<sub>2</sub> emissions factor for years 2006, 2008, 2010, and 2012 are 1.5, 1.0, 0.7, and 0.5 tons per million barrels of annual baseline crude processing capacity, respectively.

**Table 1.1: Rule 1118(d)(1) Performance Targets**

Calendar Year	Performance Target (Tons per million barrels of crude processing capacity*)
2006	1.5
2008	1.0
2010	0.7
2012	0.5

\*Based on 2004 crude oil processing capacity.

Based on the above rule performance targets, the Wilmington Refinery (2004 crude processing capacity of the 29,604,642 barrels) is limited to the following specific SO<sub>2</sub> performance targets for its flares.

**Table 1.2: Wilmington Refinery-Specific Performance Targets**

Calendar Year	Refinery Performance Target (tons/yr)
2006	44.4
2008	29.6
2010	20.7
2012	14.8

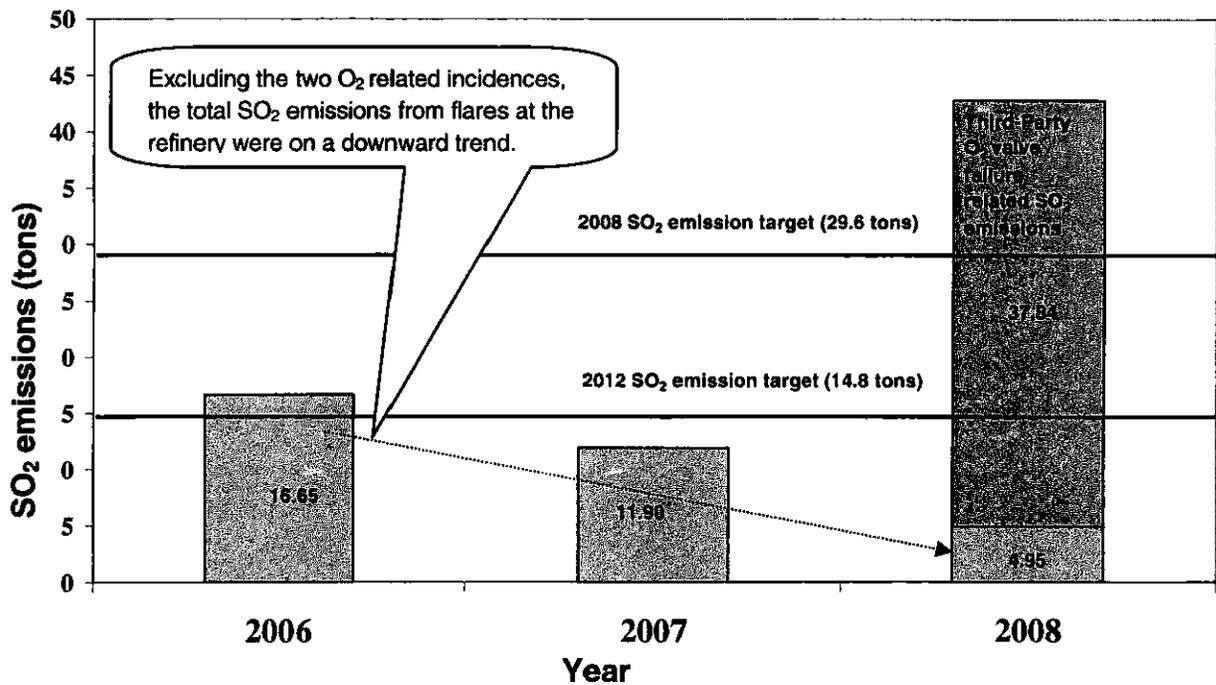
The Table below provides the annual SO<sub>2</sub> emission target and the SO<sub>2</sub> emissions performance for the Wilmington Refinery since the revised rule became effective and the annual performance targets were adopted in 2006.

**Table 1.3: Wilmington Refinery SO<sub>2</sub> Emissions History**

Calendar Year	SO <sub>2</sub> Performance Target (Tons/yr)	SO <sub>2</sub> Flare Emissions (Tons/yr)
2006	44.4	16.65
2007	44.4	11.90
2008	29.6	42.79

With the exception of 2008, the historic annual SO<sub>2</sub> emissions from the flaring at the Wilmington Refinery have been well within the 2006 and 2008 annual emission performance targets. As the Chart 1.1 below indicates, the Wilmington Refinery performance in nearly all years would be in compliance with even the 2012 SO<sub>2</sub> performance target of 14.8 tons per annum. In 2008, the Wilmington Refinery was on track to have a record performance year for flare SO<sub>2</sub> emissions until the third-party oxygen supply valve failures in September and October 2008 caused the refinery to exceed its annual SO<sub>2</sub> performance target. As noted above, the SCAQMD determined that the SO<sub>2</sub> emissions of 42.79 tons in calendar year 2008 exceeded the Wilmington Refinery's 2008 performance target of 29.6 tons, and therefore, triggered the requirement to submit a FMP. As the Chart details, 37.84 tons of the total 42.79 flare SO<sub>2</sub> emissions for 2008 were related to the third-party oxygen supply valve failures.

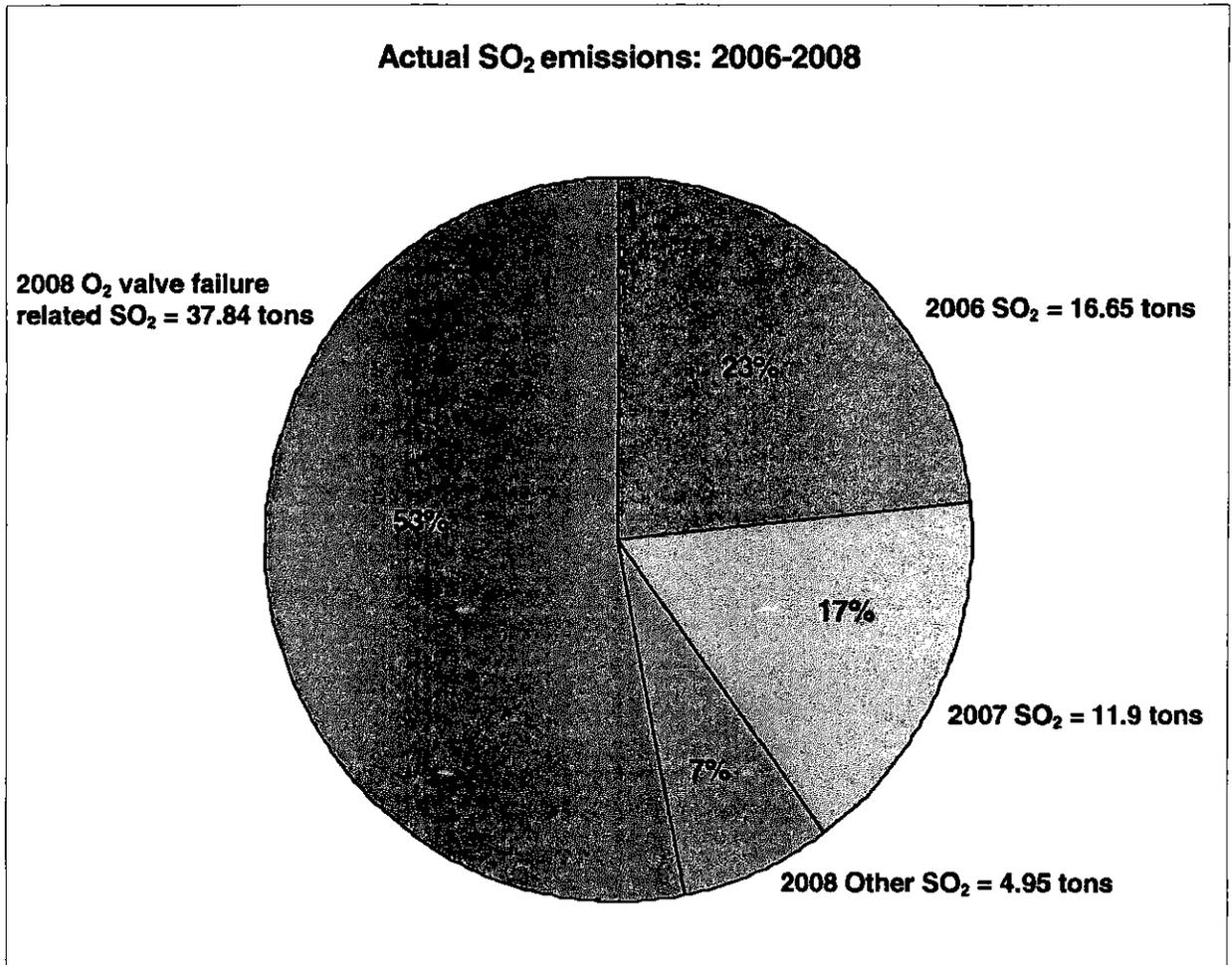
**SO<sub>2</sub> emissions vs Time**



*Pursuant to Rule 1118(k)(2), SO<sub>2</sub> flare emissions from emergency third-party outages have been excluded*

**Chart 1.1: Historic Annual SO<sub>2</sub> Emissions from the Wilmington Refinery Flares**

As the Chart 1.2 below shows, over 50% of the entire flare SO<sub>2</sub> emissions from the 2006 - 2008 period are due to the third-party oxygen supply valve failures, which shutdown the Wilmington Refinery's SRUs and triggered flaring and related SO<sub>2</sub> emissions.

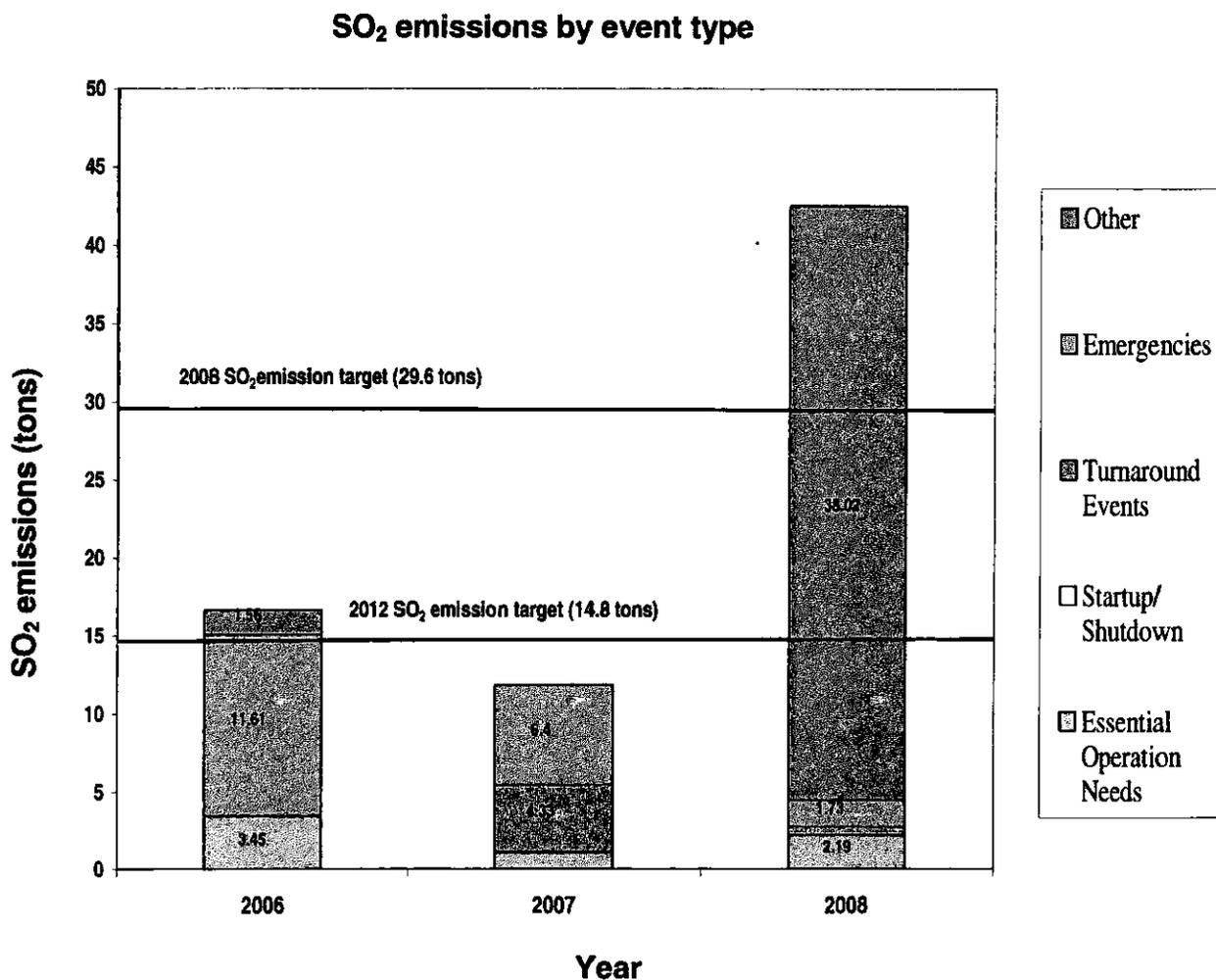


**Chart 1.2: Actual Performance at the Wilmington Refinery**

## 1.2 Wilmington Refinery Historic Flaring

The following section briefly describes the historical trend and types of flaring events. It should be noted from the onset that the Wilmington Refinery has no routine process flaring and only flares for safety reasons related to emergencies, turnarounds, shutdown/startup, essential operation needs, and other non-routine events.

As noted above, the reason for the two flaring events in September and October 2008 that led to the Wilmington Refinery exceeding its 2008 performance target as determined by the SCAQMD were related to the third-party oxygen supply valve failures. As a result, this type of flaring does not qualify as flaring associated with planned turnarounds and other scheduled maintenance, essential operational needs, or emergencies. Accordingly, the provisions of Rule 1118(e)(1)(C)(i) – (iii) do not apply to the non-routine flaring events that led to the Wilmington Refinery exceeding its 2008 performance target. However, the Chart 1.3 below shows the contribution of these event types toward the total SO<sub>2</sub> emissions from flaring at the Wilmington Refinery for years 2006 through 2008.



*Pursuant to Rule 1118(k)(2), SO<sub>2</sub> flare emissions from emergency third-party outages have been excluded*

**Chart 1.3: SO<sub>2</sub> Emissions by Flaring Event Type**

### 1.2.1. Turnarounds, Startup/Shutdowns, and Essential Operation Need Flaring Activities

Chart 1.3 above reveals that the SO<sub>2</sub> flaring emissions from turnarounds ("TAR"), shutdown/startup activities ("SD/SU"), and essential operation needs ("EON") were relatively minor for period of 2006 - 2008.

The contribution of TAR activities to the total SO<sub>2</sub> flare emissions for 2006 was insignificant as can be seen from Chart 1.3. The Wilmington Refinery maintenance and operations personnel continue to strive to reduce and minimize flaring emissions due to TAR events with the implementation of best practices and procedures specifically designed to safely minimize, and to the extent feasible, eliminate flaring.

In 2007, the SO<sub>2</sub> flare emissions associated with the TAR activities were higher than usual. However, most of this anomaly can be attributed to the SD/SU of new equipment associated with a SCAQMD mandated capital project to modify the Alkylation Unit and associated units to use. While these emissions were classified as TAR activities, they are higher than expected for future TAR emissions from a typical turnaround associated with equipment in this operating area of the refinery.

For 2008, there were no significant SO<sub>2</sub> flaring emissions associated with TAR, SD/SU, and/or EON activities.

Accordingly, the Wilmington Refinery has over the past years implemented a concerted effort in policy, procedure, and other best practices to safely minimize, and to the extent feasible, eliminate flaring emissions associated with these event types.

### 1.2.2. Emergency Events

For 2006 and 2007, the emissions related to emergency flaring were not significant, given the annual SO<sub>2</sub> performance target. In the year 2006, the majority of the emissions from emergency flaring were related to equipment malfunctions. In the year 2007, the majority of the emissions from emergency flaring were from the shutdown of one of the Sulfur Recovery Units (SRU#2) due to a low flame count.

For 2008, there were no significant SO<sub>2</sub> flaring emissions associated with emergency events.

## 2.0 Description And Technical Specifications For Each Flare And Associated Equipment

Rule 1118(e)(1)(A) requires that a FMP include a complete description and technical specifications for each flare and associated knock-out pots, surge drums, water seals and flare gas recovery systems. This section provides this required information.

From the onset, it is important to appreciate that every refinery is different. Each is unique in its configuration, the environment in which it operates and the complexities of balancing the fuel gas, power, flare gas recovery and flaring systems with process operations. This is true for every refinery in the South Coast Air Basin, the United States, and throughout the world. Factors that differ significantly between refineries include:

- Refinery age and the historical development at the refinery site;
- Crude feedstocks that are processed;
- Size, capacity, and throughput of processing units;
- Reliability of electrical power systems;
- Processing configuration, complexity, and extent of upgrading capacity;
- Unit integration or ability of units to operate independently;
- Extent of investment by ownership over the years;
- Locally available resources (e.g., power, water, and land);
- Local regulatory climate; and
- Demand for different products within the local market.

As background, the Wilmington Refinery has four flares and a central vapor recovery system<sup>1</sup>. There are three general service flares (Phase 0, Phase 1, and Phase 2) and one clean service flare (LPG). The flares are generally referred to by their flare names. The general service flares were named according to the phase of original refinery construction in which they were built - Phase 0, Phase 1, and Phase 2. The general service flares are connected to all the process units so that the relief from any unit can be sent to any flare. The clean service flare is named for its service to the LPG area of the refinery.

---

<sup>1</sup> The Wilmington Refinery refers to its flare gas recover system as the Vapor Recovery System.

The following tables provide general, pilot, and purge gas details for each flare. Sections 2.1–2.5 below provide further description on each flare and the flare gas recovery system. Note that the flare system overview drawings for each flare and the flare gas recovery system are provided in the Appendix, which is considered CBI.

**Table 2.1: General Service Flare Information**

<b>Flare Name ID No.</b>	<b>Phase0 89-FT-900</b>	<b>Phase1 89-FT-9000</b>	<b>Phase2 75-FT-1</b>
<b>Description</b>	This flare is used to safely combust hydrogen sulfide and ammonia gas streams from the Sulfur Recovery Unit as well as hydrocarbon and hydrogen containing streams from Platformer hydrogen production.	This flare is used to safely combust vent gas streams primarily from the Crude, Coker, Vacuum, Platformer, Unibon and Hydrotreating units.	This flare is used to safely combust vent gas streams primarily from the Merox, Fluid Catalytic Cracking, and Alkylation units.
<b>Capacity</b>	200,000 lbs/hr	383,700 lbs/hr	536,600 lbs/hr
<b>Operation</b>	Each general service flare is operated independently. Limited connections between flares are used to divert vent gas flows during outages for inspection and maintenance.		
<b>Maintenance</b>	Routine inspection and maintenance performed.		

**Table 2.2: Clean Service Flare Information**

<b>Flare Name ID No.</b>	<b>LPG Flare 82-FT-1</b>
<b>Description</b>	This flare is dedicated to the LPG unit.
<b>Capacity</b>	26,718 lbs/hr
<b>Operation</b>	Operated independently of the general service flares.
<b>Maintenance</b>	Routine inspection and maintenance performed.

**Table 2.3: Pilot Gas Information**

<b>Flare Name ID No.</b>	<b>Phase0 Flare 89-FT-900</b>	<b>Phase1 Flare 89-FT-9000</b>	<b>Phase2 Flare 75-FT-1</b>	<b>LPG Flare 82-FT-1</b>
Type of gas used	Purchased Natural Gas	Purchased Natural Gas	Purchased Natural Gas	Refinery Propane
Operating flow rate	2.25 scfm	2.5 scfm	2.5 scfm	1.67 scfm
Maximum total sulfur content	10 ppm	10 ppm	10 ppm	2.5 ppm
Average HHV of gas used	1010 Btu/scf	1010 Btu/scf	1010 Btu/scf	3500 Btu/scf

**Table 2.4: Purge Gas Information**

<b>Flare Name ID No.</b>	<b>Phase0 Flare 89-FT-900</b>	<b>Phase1 Flare 89-FT-9000</b>	<b>Phase2 Flare 75-FT-1</b>	<b>LPG Flare 82-FT-1</b>
Type of gas used	Purchased Natural Gas	Purchased Natural Gas	Purchased Natural Gas	Refinery Propane
Operating flow rate	25 scfm	25 scfm	25 scfm	1.67 scfm
Maximum total sulfur content	10 ppm	10 ppm	10 ppm	2.5 ppm
Average HHV of gas used	1010 Btu/scf	1010 Btu/scf	1010 Btu/scf	3500 Btu/scf

## 2.1 Phase 0 Flare

The sour gas and hydrocarbon ("HC") vapor relief from the units listed in the Table below are flared during emergency, EON, and other non-routine events via the Phase 0 Flare Seal Drum and Phase 0 Flare, also known as acid gas flare. The Phase 0 Flare Seal Drum has a water seal height of 33 inches. The relief from these units can also be diverted to the Phase 1 Flare when Phase 0 Flare is shut down for emergency or maintenance operations. The detailed drawings for the Phase 0 flare and related upstream process units are provided in drawing numbers 2, 6, and 11-19 of the Appendix, which are considered CBI.

**Table 2.5: Refinery Process Units Venting to the Phase 0 Flare**

Unit Number	Unit Name
33	Ammonia Storage
39 and 41	Tail Gas treating Unit
40	Sulfur Recovery Unit
45, 46, and 51	Amine Treating Unit
48 and 49	Sour Water Treating Unit
54	Sour Water Stripper
55	Amine Regeneration Unit
70	Platformer
86	Boiler Feed Water System
88	Fuel Gas and Thermal DeNOX
97	Flare Gas treating Unit

## 2.2 Phase 1 Flare

The Phase 1 Flare is used for flaring the HC vapor relief from the processing units shown in the Table below during emergency, TAR, SD/SU, EON, and other non-routine events. The HC relief from these units is routed through a separate header into a Liquid Blowdown Drum. The HC vapor relief from the Liquid Blowdown Drum is routed to Phase 1 Flare via the Flare Knockout Drum. The flare knockout drum normally has a liquid seal height of 84 inches.

**Table 2.6: Refinery Process Units (Hydrocarbon) Venting to the Phase 1 Flare**

Unit Number	Unit Name
10 and 11	Crude Unit
30 and 31	Delayed Coking Unit
43 and 44	Light Ends Recovery Units
56	Naphtha Hydrotreater
58	Gas Oil Hydrotreater
60	Naphtha Hydrotreater
80	Gas Oil Unibon
88	Fuel Gas Treating Unit

The HC relief from these units can be also be diverted to the Phase 0 and Phase 2 Flares when the Phase 1 flare is shutdown for an emergency or maintenance. The Phase 1 Flare system also collects the liquid relief from the process units listed in the Table below.

**Table 2.7: Refinery Process Units (Liquid) Venting to the Phase 1 Flare**

Unit Number	Unit Name
56	Naphtha Hydrotreater
60	Naphtha Hydrotreater
70	Platformer
80	Gas Oil Unibon

As mentioned earlier, the liquid relief from these units are collected separately in a liquid collection main header and routed to a Liquid Blowdown Drum.

The detailed drawings for the Phase 1 Flare and related upstream process units are provided in drawing numbers 3, 7, and 20-29 of the Appendix, which are considered CBI.

### 2.3 Phase 2 Flare

The Phase 2 Flare handles the HC relief from the process units shown in the Table below during emergency, TAR, SD/SU, EON, and other non-routine events. The HC relief from these units is routed through two separate headers to a Liquid Blowdown Drum.

**Table 2.8: Refinery Process Units (Hydrocarbon) Venting to the Phase 2 Flare**

Unit Number	Unit Name
50	Fuel Gas Treating Unit
61	FCC Power Recovery Unit
63	FCC Gas Concentration Unit
64	Field Butane Merox Unit
65	LPG Merox Unit
66	FCC Gasoline Merox Unit
67	Alkyl Feed Dryer
68	HF Alkyl Unit
69	Butamer Unit
81	North Tank Farm
83	Effluent and Slop Oil System

HC vapor relief from the Liquid Blowdown Drum is discharged to Phase 2 Flare via a Flare Knockout Drum. The flare knockout drum normally has a liquid seal height of 96 inches. The Phase 2 Flare system also collects the liquid relief from the process units listed in the Table below.

**Table 2.9: Refinery Process Units (Liquid) Venting to the Phase 2 Flare**

Unit Number	Unit Name
63	FCC Gas Concentration Unit
64	Field Butane Merox Unit
65	LPG Merox Unit
66	FCC Gasoline Merox Unit
69	Butamer Unit

As mentioned above, the liquid relief from these units is routed separately via a liquid collection main header to the Liquid Blowdown Drum.

HC relief, which may be acidic from HF Alkylation Unit (Unit 68), is collected in a separate 10 inch relief header and sent to a Liquid Knockout Drum and scrubber for acid neutralization before connecting to the HC vapor collection header within the HF Alkylation Unit.

HC vapor relief from the process units above can also be diverted to the Phase 0 and Phase 1 Flares when the Phase 2 flare is shutdown for emergency or maintenance.

The detailed drawings for the Phase 2 Flare and related upstream process units are provided in drawing numbers 4, 8, and 30-38 of the Appendix, which are considered CBI.

## 2.4 LPG Flare

The LPG Flare is a Clean Service Flare dedicated to the LPG storage and loading unit. It is not integrated with the Phase 0, Phase 1, and Phase 2 Flares. The system overview for the LPG Flare is provided in drawing number 5 of the Appendix. The LPG flare detailed drawing is provided in drawing number 9 of the Appendix. Both drawings are considered CBI.

## 2.5 Vapor Recovery System

The Vapor Recovery System recovers light hydrocarbons discharged into the flare/vapor recovery header by the process units. To prevent air entrainment into the system and to provide positive pressure for the flare gas recovery compressors, a constant back pressure is maintained via water boots and water seals in the flare knockout drums. The back pressure is maintained by controlling the water seal level in the knockout drum. Without adequate water seal, the gases are released and combusted in the flares.

Recovered gases are compressed downstream to the gas treating units for sulfur removal and reuse in the refinery as fuel gas and/or sales gas. A flow meter is used to monitor the total amount of gases recovered through the vapor recovery system. When the primary flare gas recovery compressor is out of service, a spare compressor is used. A detailed drawing of the system is provided in drawing number 10 of the Appendix, which is considered CBI.

### **3.0 Detailed Process Flow Diagrams Of All Upstream Equipment And Process Units Venting To Each Flare**

Rule 1118(e)(1)(B) requires that a FMP also include detailed process flow diagrams of all upstream equipment and process units venting to each flare, identifying the type and location of all control equipment. This information is previously discussed in Section 2 and is provided in drawings that are contained in the Appendix, which is considered CBI.

#### **4.0 Refinery Policies And Procedures To Be Implemented And Any Equipment Improvements To Minimize Flaring And Flare Emissions And Comply With The Performance Targets**

Rule 1118(e)(1)(C) requires that an FMP also include refinery policies and procedures to be implemented and any equipment improvements to minimize flaring and flare emissions and comply with the performance targets:

- (i) Planned turnarounds and other scheduled maintenance, based on an evaluation of these activities during the previous five years;
- (ii) Essential operational needs and the technical reason for which the vent gas cannot be prevented from being flared during each specific situation, based on supporting documentation on flare gas recovery systems, excess gas storage and gas treating capacity available for each flare; and
- (iii) Emergencies, including procedures that will be used to prevent recurring equipment breakdowns and process upset, based on an evaluation of the adequacy of maintenance schedules for equipment, process and control instrumentation.

As discussed above, the purpose of the FMP is to provide a description of equipment to be installed and policies and procedures to be implemented to avoid future exceedances of the performance targets. (See SCAQMD Governing Board Letter, November 4, 2005, Agenda No. 35, p. 9). Taking this purpose and intent, the Wilmington Refinery interprets the above language to mean that the specific focus of the FMP should be on the reason why the refinery's Rule 1118 SO<sub>2</sub> performance target was exceeded in the first place (i.e., the type of flaring that led to the exceedance) and the steps (i.e., prevention measures, corrective actions, policies, procedures, etc.) taken to minimize or eliminate, to the extent feasible and safe, this type of flaring in the future.

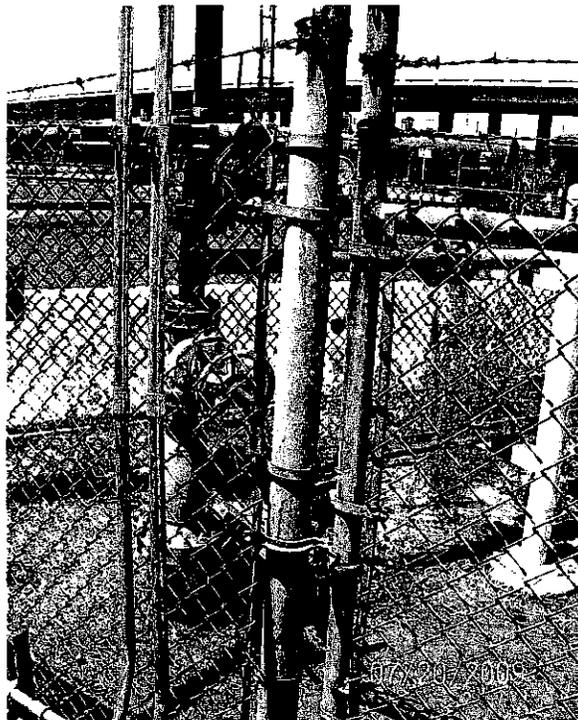
As noted above, the reason for the two flaring events in September and October 2008 that caused the Wilmington Refinery to exceed its 2008 SO<sub>2</sub> performance target, as determined by the SCAQMD, was related to the third-party oxygen supply valve failures. However, this type of non-routine flaring does not qualify as flaring associated with planned turnarounds and other scheduled maintenance, essential operational needs, or emergencies. Since the provisions of Rule 1118(e)(1)(C)(i) – (iii) do not apply to the flaring events that caused the Wilmington Refinery to exceed its 2008 performance target, this section as it relates to Rule 1118(e)(1)(C) will focus on the prevention measures taken during and immediately thereafter the two flaring events in September and October 2008 to minimize flaring and the corrective actions subsequently taken to safely minimize or eliminate, to the extent feasible, this type of flaring in the future.

The Wilmington Refinery has already in place the policies, procedures, and equipment (i.e., flare gas recover and flare gas treatment) to address planned turnarounds and other scheduled maintenance, essential operational needs, or emergencies flaring covered by 1118(e)(1)(C)(i) – (iii). This is demonstrated above by the fact that the Wilmington Refinery's historic performance would be in compliance with even its 2012 SO<sub>2</sub> performance target and was on track in 2008 to have a record performance year for flare SO<sub>2</sub> emissions until the third-party oxygen supply valve failures in September and October 2008 caused the refinery to exceed its SO<sub>2</sub> performance target. Accordingly, there currently is no need for changes in the refinery's flare policies, procedures, and equipment related to flaring covered by 1118(e)(1)(C)(i) – (iii).

#### 4.1 Evaluation of the Two 2008 Flaring Events that Led to the Exceedance of the 2008 Performance Target

The Wilmington Refinery was running at about 17% of its total allowable 2008 SO<sub>2</sub> performance target until the last month of the third quarter of 2008. On September 28, 2008, the third-party oxygen supply valve to Sulfur Recovery Unit Trains 1 and 2 (Facility Permit Process 11, Systems 1 and 2) (collectively "SRUs") unexpectedly shut off flow to the SRUs. This in turn led to the SRUs shutting down. As a result, high concentration hydrogen sulfide ("H<sub>2</sub>S") gas normally treated by the SRUs was sent to the Phase 0 Flare (Process 17, System 3) for approximately two and half hours in order to avoid an atmospheric release and for safety purposes. This brief flaring resulted in approximately 22 tons of SO<sub>2</sub> emissions. Subsequently, on October 12, 2008, a similar flaring event occurred lasting approximately two hours and resulted in approximately 16 tons of SO<sub>2</sub> emissions. Prior to these flaring events, for the past decade the oxygen supply valve operated without any unexpected shutdowns, and therefore, did not contribute to any additional flaring.

As process background, the oxygen for refinery SRU operations is produced and provided by a third-party oxygen supplier pursuant to an Oxygen Supply Agreement. Under the agreement, the third-party oxygen supplier produces oxygen at its offsite facility and supplies the contractually required oxygen to the refinery SRUs via pipeline that runs from the third-party oxygen supplier's facility through the refinery. The oxygen supply valve that failed during the September and October 2008 flaring events and the valve's control box are owned, maintained and operated by the third-party oxygen supplier. Furthermore, the oxygen supply valve and its control box are fenced in and the gate is locked and only the third-party oxygen supplier has access to it. (See picture below). One of the reasons that the flaring events, although brief, lasted as long as they did was that the Wilmington Refinery had to wait, in both cases, for the third-party oxygen supplier to unlock the gate, evaluate the valve, and then bypass it. The refinery is not provided access to the oxygen supply valve by the third-party supplier as the oxygen supply valve and control box are part of a larger oxygen supply network that the third-party supplier operates and controls that delivers oxygen not only to the Wilmington Refinery but to other industrial users. The third-party oxygen supplier believes that it needs this type of control in order to maintain the requisite oxygen supply pressures and safely operate the supply network.



The oxygen supplied by the third-party supplier is needed to help enhance the SRUs' capacity to treat high concentration H<sub>2</sub>S gas from the refinery's amine system and hydrotreaters. The SRUs are a proven and conventional operation in the oil refining process. They serve to convert undesirable sulfur that is removed from petroleum products at the refinery to a saleable sulfur product. The chemical process in the SRU utilizes oxygen to convert H<sub>2</sub>S from the various hydrocarbon processing units in the refinery into molten liquid, elemental sulfur. When the SRUs are suddenly not available for processing the H<sub>2</sub>S (as in the case with the loss of oxygen), the hydrogen sulfide (acid gas) feed to the SRUs is safely routed, by design, to the refinery's Phase 0 Flare for combustion.

A combination of air and oxygen is used in the refinery's SRUs to convert H<sub>2</sub>S to elemental sulfur. The use of oxygen increases the ability to convert H<sub>2</sub>S streams by reducing the presence of nitrogen (an inert gas) from the process. Similar capacity could be achieved in an air only system, but would require large, energy consuming, labor- and maintenance-intensive, and costly blowers to move large volumes of air through the SRU reactor furnaces to accomplish the H<sub>2</sub>S conversion. As a result, this would be a far less efficient process.

As part of the Wilmington Refinery's comprehensive approach in minimizing or eliminating, to the extent feasible and safe, future SO<sub>2</sub> flare emissions, the refinery undertook a detailed analysis in order to determine the root cause that led or could have contributed to the two flaring events. Based on this analysis, it was determined that the valve positioner on the oxygen supply valve was faulty and unexpectedly shut off oxygen flow to the SRUs – as noted above. Additionally, it was determined that vibration or degradation of component(s) located within the oxygen supply valve control box may have contributed to the unexpected shut off of oxygen flow to the SRUs.

However, as noted above, in discussions with the SCAQMD regarding these flaring events, the SCAQMD has decided to impute the third-party oxygen supplier's conduct to the Wilmington Refinery due to the fact that the flaring associated with the oxygen supply valve shut downs in September and October 2008 occurred at the Wilmington Refinery's Phase 0 Flare.

#### **4.2 Flaring Prevention Measures Implemented During and Corrective Actions Taken Shortly After the Two 2008 Flaring Events that Led to the Exceedance of the 2008 Performance Target**

In both flaring instances, the Wilmington Refinery took proactive measures to mitigate the extent of the flaring events by bypassing the failed oxygen supply valve, which allowed oxygen flow back to the SRUs. The Refinery also immediately shifted refinery operations to minimize H<sub>2</sub>S production and reduce flaring emissions associated with the two flaring events. These operational moves helped the refinery to maintain a minimum safe, environmentally sound, and stable rate of production, while minimizing H<sub>2</sub>S generation. It should be emphasized that this transition from "normal" operation to the minimum safe and stable rate of production can never be instantaneous due to safety reasons and will always have some lag time, given the complex and highly integrated operations of any conventional oil refinery.

It is worth noting that the Wilmington Refinery's response time related to the October 2008 flare event was improved and faster compared to the September 2008 flare event based on the lessons learned from the first flaring event – leading to lower SO<sub>2</sub> emissions from the second flaring event.

In response to the two flaring events, the Wilmington Refinery undertook the following corrective actions during or immediately thereafter to minimize or eliminate, to the extent feasible and safe, flaring associated with another oxygen supply valve failure:

- Bypassing the valve until the valve shutdown problem was corrected;
- Requiring the third-party oxygen supplier to replace the oxygen supply valve and control box; and

- Requiring the third-party oxygen supplier to put the valve and control box on a preventative maintenance schedule.

To date, these implemented measures have prevented a similar type of flaring event from occurring.

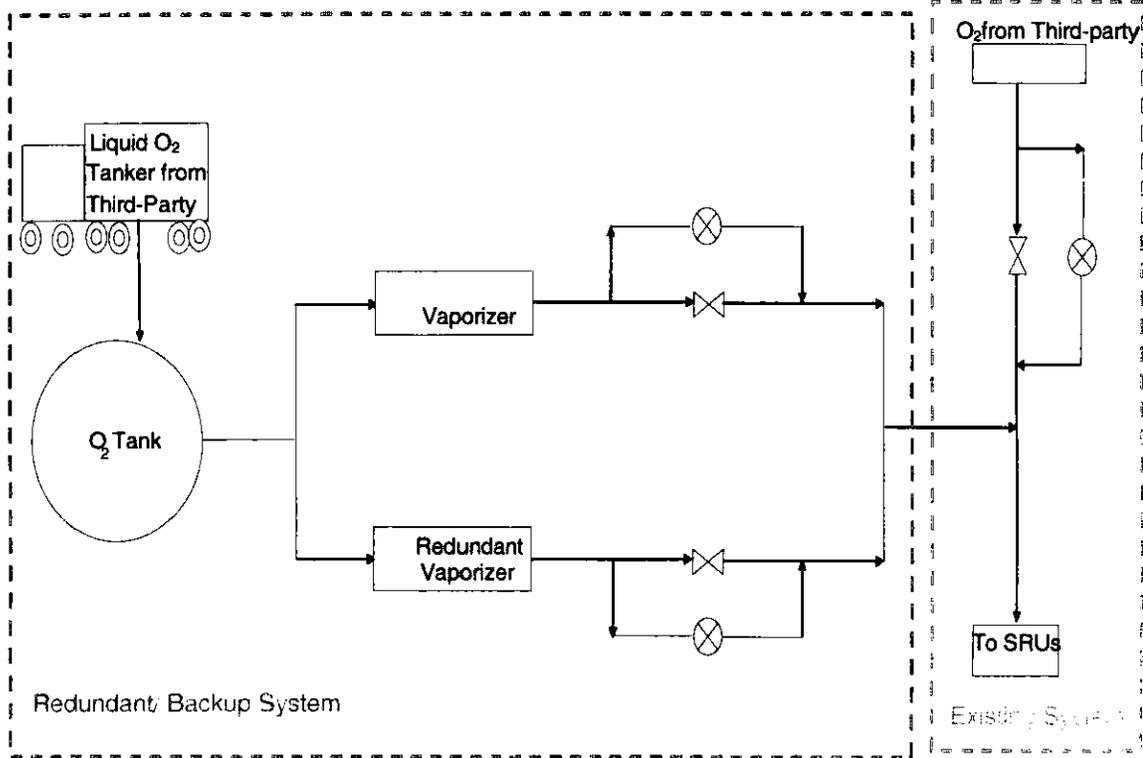
### **4.3 Long-Term Corrective Actions Taken to Prevent a Similar Flaring Event**

As mentioned above, as part of the Wilmington Refinery's comprehensive approach in minimizing or eliminating, to the extent feasible and safe, future SO<sub>2</sub> flare emissions, the refinery undertook a detailed evaluation of the root cause that led or contributed to the two flaring events. This evaluation also included consideration of possible enhancements around policy, procedure, and new equipment that would significantly help to prevent future events of this type. While the SO<sub>2</sub> emissions target for 2009 is 29.6 tons per year for the Wilmington Refinery, this evaluation used the 2012 SO<sub>2</sub> emission target (14.8 tons per year) as the objective basis for future performance.

The final result of this evaluation was the decision by, the Wilmington Refinery to establish a redundant source of oxygen for the SRUs, which was to install a backup liquid oxygen supply system. The following paragraphs describe the backup supply system that was installed at the end of March 2009 as a result of this analysis and plan implementation. This backup system provides 100% redundancy to the third-party oxygen supplier's existing supply system and will prevent similar lost oxygen related non-routine flaring events in the future.

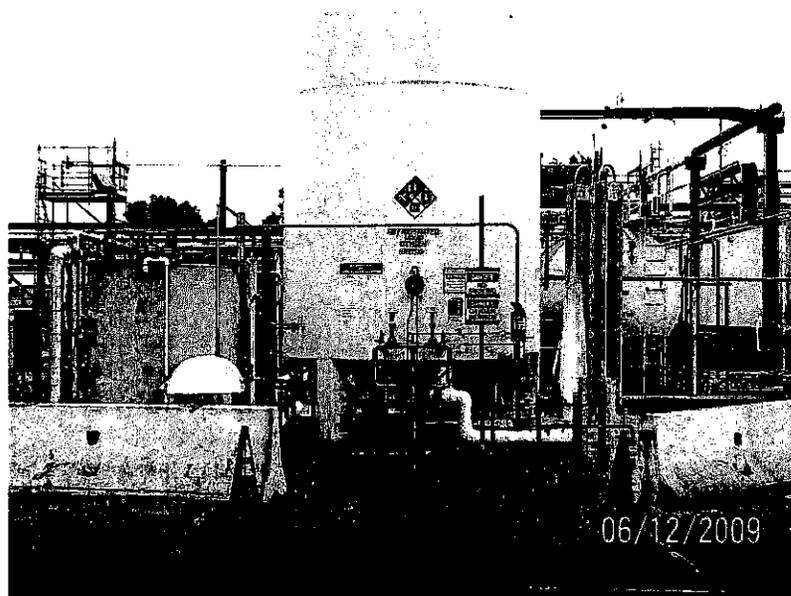
As shown in the Figure 4.1 below, the redundant/backup system will consist of a cryogenic liquid oxygen tank which can store liquid oxygen and provide approximately 12 hrs of backup oxygen supply to the Wilmington Refinery SRUs. When the system is operational, liquid oxygen will be pressure transferred to two steam-heated, water bath vaporizers. The gaseous oxygen product from the vaporizers flows to the oxygen supply pipeline and ultimately to the SRUs. Although one vaporizer is enough to supply oxygen to the SRUs, the Wilmington Refinery installed a second vaporizer and related control system as a conservative measure.

This redundant backup liquid oxygen system is designed to makeup oxygen to the SRUs in the event of loss of supply from the third-party oxygen supply header.



**Figure 4.1: Overview of the Backup Liquid Oxygen Supply System**

The construction cost for the backup liquid oxygen system, as a corrective action, was approximately \$400,000 (i.e., tank, foundation, piping connections, utilities, etc.). The monthly leasing and operation cost is approximately \$3,500. (See picture below).



#### **4.4 Flare Gas Recovery Equipment And Treatment System(S) To Be Installed To Comply With The Performance Targets**

Rule 1118(e)(1)(D) also requires that a FMP include a discussion regarding any flare gas recovery equipment and treatment system(s) to be installed to comply with the facility SO<sub>2</sub> performance targets. For the purposes of this FMP and addressing the root cause of the two 2008 flaring events that led to the exceedance of the Wilmington Refinery's 2008 performance target, no flare gas recovery equipment or treatment system(s) were installed nor is it required to be installed. As discussed above, the two flaring events have been addressed by the flaring prevention measures implemented during the events, corrective actions taken immediately thereafter the events, and the long-term corrective action of installing a backup liquid oxygen supply system.

As noted above, the Wilmington Refinery currently has flare gas recovery and flare gas treatment systems. (See Section 2).

## 5.0 Conclusion

But for the September and October 2008 flaring events, the Wilmington Refinery would have been well below its 2008 SO<sub>2</sub> performance target of 29.6 tons. If these events were excluded from the refinery's 2008 performance target, the Wilmington Refinery's SO<sub>2</sub> flaring emissions would have been well below its 2012 performance target. The Wilmington Refinery has had exceptional performance historically in keeping its flare emissions well below the Rule 1118 SO<sub>2</sub> performance targets.

Unfortunately, the failure of an oxygen supply valve (owned, maintained, operated, and controlled by the third-party oxygen supplier) caused the two non-routine flaring events that have led the SCAQMD to require the Wilmington Refinery to develop and submit this FMP.

The Wilmington Refinery believes that the information presented in this plan meets the requirements and intent of Rule 1118(e)(1) and the SCAQMD should timely approve the FMP.

As discussed above, the Wilmington Refinery has implemented several significant preventive measures and corrective actions to minimize the potential for this type of flaring in the future. The Wilmington Refinery believes in particular that the installation of the backup (redundant) liquid oxygen supply system, at considerable cost, should eliminate, to the extent feasible and safe, this type of flaring in the future.